



GOCHNOUR & ASSOCIATES, INC.

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March 14, 2000

Mr. Anthony Gallegos  
State of Utah  
Division of Oil, Gas & Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, UT 84114-5801

Mr. Will Stokes  
Utah School and Institutional Trust Lands Administration (SITLA)  
675 East 500 South, Suite 500  
Salt Lake City, UT 84102

**RE: Lisbon Valley Mining Co. LLC (Summo USA Corporation - Operator)  
Request to Perform Mineral Exploration (Drilling) - Spring (April/May) 2000  
Lisbon Valley Project**

Gentlemen:

Per recent phone conversations, Lisbon Valley Mining Co. LLC (Summo USA Corporation - Manager) hereby requests approval from the Division of Oil, Gas & Mining (DOGM) and Utah School and Institutional Trust Lands Administration (SITLA) to access and drill up to fifty-one (51) additional mineral exploration holes/sites at the Lisbon Valley Project. The proposed activities are located on State Trust Land (Mineral Lease #20569) in Section 36, T30S, R25E.

Previous exploration at the site reveals that road/trail access disturbances from blading and brush clearing only impacts a 16-foot width or less on average. Access to fifteen (15) of the proposed drill sites will be via existing trails and roads. Access to seven (7) sites will require 1040 linear feet of overland tracking with no blade construction ( $1040' \times 16' = 16640$  sq. ft. or **.382 acres**). Twenty-nine (29) sites will require 3160 linear feet of blade work to brush cut an access route ( $3160' \times 16' = 50560$  sq. ft. or **1.16 acres**). The total projected impact of access disturbance is **1.542 acres**.

Drill sites will be  $16' \times 40'$  or 640 sq. ft. per site. The projected disturbance for the 51 proposed drill sites is 32,640 sq. ft. or **.75 acres**. Drilling depths will vary from 300 feet to 450 feet. Drill holes will be 5 inches in diameter. A map of proposed access routes and drill sites is provided as **Attachment 1**.

Total projected surface disturbance for the entire proposed exploration program will be **2.30 acres**.

The equipment that will be utilized to perform this proposed activity includes one minimal impact all-terrain reverse-circulation drill rig and support vehicles (pick-ups and drill rig support vehicles, etc.). Minor earthmoving equipment (dozer and/or backhoe) will be needed for this request to provide safe access, a level drilling surface, sumps to contain excess drill cutting material, and for reclamation activities.

No cultural resources or sensitive species of vegetation or wildlife are anticipated to be impacted by this request since proposed activities are located within previously approved mine related activities.

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DIVISION OF  
OIL, GAS AND MINING

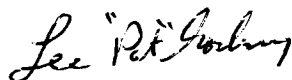
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Following completion of the drilling activities, the areas will be cleaned up. Cuttings will be shoveled back down the holes and the sites will be graded, contoured, and seeded (during the proper planting season). Groundwater may be encountered in seventeen (17) of the exploration holes. If encountered, this will require a bentonite seal (plug) upon abandonment. For bonding purposes, Summo has projected a total of 950 feet of bentonite plugging for this exploration proposal. Reopened access trails will also be graded, contoured and reseeded. All support equipment and supplies will be removed from the site. A summary of each drill hole access disturbance, proposed depth, and estimated groundwater impact is provided in **Attachment 2**. An estimate of reclamation costs for bonding purposes is provided in **Attachment 3**.

Summo has completed the majority of site reclamation (grading, contouring and hole plugging) for exploration activities performed during the winter 1999/2000. A Mineral Exploration Progress Report is attached for your review and files (**Attachment 4**). The only remaining activity to perform on the Winter 1999/2000 program is reseeded, which is scheduled for next fall (2000).

As always, Summo wishes to begin exploration drilling as soon as possible. Once you have reviewed and approved the proposed plan, I will prepare and submit the necessary Reclamation Contract. In the interest of time, Summo may elect to submit a Cash Bond while a Surety Bond is being processed. Summo will request release of the Cash Bond once the Surety Bond is filed. If you have any questions regarding this request, please contact me at the listed letterhead number.

Sincerely,



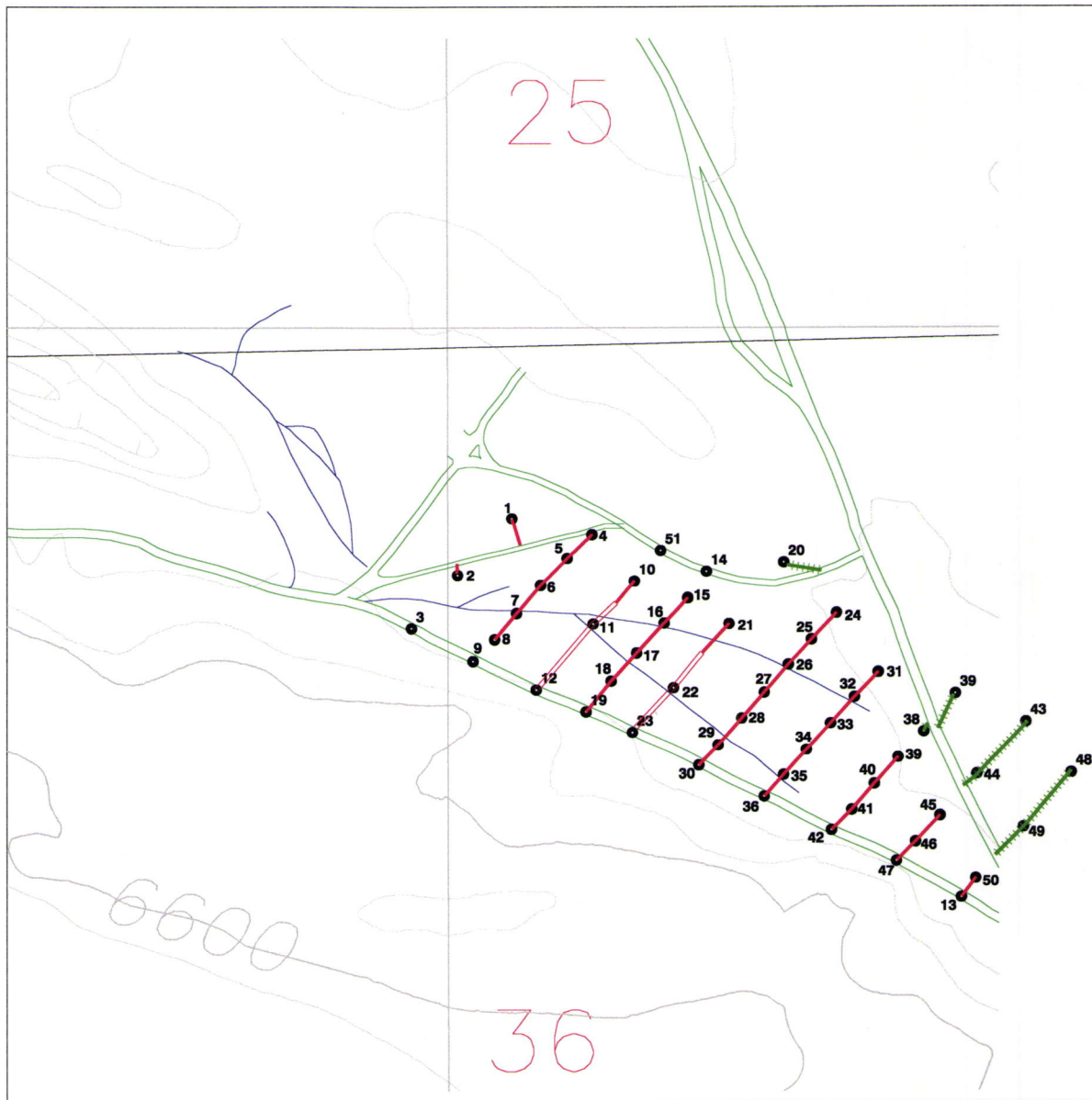
Lee "Pat" Gochnour  
Consultant to Summo USA Corporation

Attachments (4)

cc: Bob Prescott - Summo

**Attachment 1**  
**Map of Proposed Exploration Plan**

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T 30S, R25 E

# LEGEND

- Existing Trail
- Existing Road
- Proposed Brush Clearing = Overland Travel
- Track Routes = Overland Travel
- Existing Trail Construction
- Proposed Drill Hole



SCALE IN FEET



GOCHNOUR & ASSOCIATES, INC.

**Lisbon Valley Project**  
 Spring (April/May) 2000  
**Exploration Project**

SCALE: 1"=500'

**Attachment 2**  
**Summary of Drill Holes**

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**LISBON VALLEY COPPER PROJECT**  
**Phase 2 Centennial East Drilling**

Site	Access			Proposed Depth (ft.)	Drilling In Water (ft.)
	Existing	Track (ft.)	Brush Cut (ft.)		
1	No		100	350	
2	No		50	350	
3	Yes			300	
4	Yes			400	25
5	No		100	350	
6	No		100	350	
7	No		100	350	
8	No		130	300	
9	Yes			300	
10	No		130	400	25
11	Yes			350	
12	Yes			300	
13	Yes			350	
14	Yes			425	50
15	No		130	350	
16	No		100	350	
17	No		100	350	
18	No		120	350	
19	Yes			325	
20	No	150		450	75
21	No		150	350	
22	Yes			350	
23	Yes			325	
24	No		130	425	50
25	No		100	425	50
26	No		100	350	
27	No		100	350	
28	No		100	350	
29	No		100	350	
30	Yes			325	
31	No		130	425	50
32	No		100	425	50
33	No		100	375	
34	No		100	350	
35	No		100	350	
36	Yes			325	
37	No	130		450	75
38	No	50		425	50
39	No		130	425	50
40	No		100	375	
41	No		100	350	

**LISBON VALLEY COPPER PROJECT**  
**Phase 2 Centennial East Drilling**

Site	Access			Proposed Depth (ft.)	Drilling In Water (ft.)
	Existing	Track (ft.)	Brush Cut (ft.)		
42	Yes			350	
43	No	250		450	75
44	No	90		450	75
45	No		130	450	75
46	No		100	375	
47	Yes			350	
48	No	240		450	75
49	No	130		450	75
50	No		130	350	
51	Yes			400	25
TOTALS		1040	3160	19000	950

**Attachment 3**  
**Reclamation Costs**

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Attachment 3  
Reclamation Cost Estimates

Bentonite Plugging - Up to 950 feet (5" hole) @\$3.00 per foot	= \$2,850.00
New Access Road Reclamation - 4,200 linear feet @ \$1.25 per linear foot	= \$5,250.00
Drill Site Reclamation - 51 sites @ \$150 per site	= <u>\$7,650.00</u>
<b>Total</b>	<b>= \$15,750.00</b>

**Attachment 4**  
**Mineral Exploration Progress Report**

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# **DRILL HOLE PROGRESS REPORT**

Drill Hole ID Number	Township & Range	Section	1/4 Section	1/4 of 1/4 Section	Hole Depth	Date Drilled	Depth to Water	Name of Formation	Rate of Flow-gpm	Est. Water Quality	Date of Reclamation
00R1	T30S / R25E	36	NW	NE	400'	16-Feb-00	None	Burro Canyon	---	---	27-Feb-00
00R2	T30S / R25E	36	NW	NE	445'	17-Feb-00	None	Burro Canyon	---	---	27-Feb-00
00R3	T30S / R25E	36	NW	NE	400'	18-Feb-00	335'	Burro Canyon	<1	Very Poor	27-Feb-00
00R4	T30S / R25E	36	NE	NW	400'	19-Feb-00	334'	Burro Canyon	<1	Very Poor	27-Feb-00
00R5	T30S / R25E	36	NW	NE	350'	19-Feb-00	None	Burro Canyon	---	---	27-Feb-00
00R6	T30S / R25E	35	NW	NE	350'	20-Feb-00	None	Burro Canyon	---	---	27-Feb-00
00R7	T30S / R25E	36	NE	NW	350'	21-Feb-00	None	Burro Canyon	---	---	27-Feb-00
00R8	T30S / R25E	36	NE	NW	350'	22-Feb-00	294'	Burro Canyon	<1	Very Poor	27-Feb-00
00R9	T30S / R25E	36	NE	NW	300'	22-Feb-00	None	Burro Canyon	---	---	05-Mar-00
00R10	T30S / R25E	36	NE	NW	415'	23-Feb-00	None	Burro Canyon	---	---	08-Mar-00
00R11	T30S / R25E	36	NE	NW	350'	01-Mar-00	218'	Burro Canyon	See Note	---	05-Mar-00
00R12	T30S / R25E	36	NE	NW	300'	01-Mar-00	None	Burro Canyon	---	---	05-Mar-00
00R13	T30S / R25E	36	NE	NW	415'	02-Mar-00	296'	Burro Canyon	<1	Very Poor	08-Mar-00
00R14	T30S / R25E	36	NE	NW	350'	03-Mar-00	None	Burro Canyon	---	---	05-Mar-00
00R15	T30S / R25E	36	NE	NW	335'	04-Mar-00	None	Burro Canyon	---	---	08-Mar-00

NOTE: No groundwater was encountered during the drilling of 00R11.  
Drill water was found trapped in the hole on March 5, 2000 at a depth of 218 feet.